



MAGMA FINCORP LIMITED

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 2018

(₹ in lacs)

| Particulars | Quarter Ended | | | Year Ended | |
|---|------------------|---------------------|--------------------|-------------------|-------------------|
| | 31 March 2018 | 31 December 2017 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | (Audited) # | (Unaudited) | (Audited) # | (Audited) | (Audited) |
| 1. Revenue | | | | | |
| (a) Revenue from operations | 55,007.34 | 49,831.07 | 47,310.35 | 197,915.80 | 197,766.77 |
| (b) Other income | 1,044.94 | 1,055.13 | 1,328.47 | 5,795.09 | 4,906.65 |
| Total revenue | 56,052.28 | 50,886.20 | 48,638.82 | 203,710.89 | 202,673.42 |
| 2. Expenses | | | | | |
| (a) Employee benefits expense | 8,799.33 | 8,298.71 | 5,739.92 | 32,433.16 | 23,020.76 |
| (b) Finance costs | 19,867.49 | 18,883.59 | 21,637.72 | 78,467.49 | 94,256.97 |
| (c) Depreciation and amortisation expense | 1,276.61 | 1,178.95 | 1,224.49 | 4,897.65 | 4,828.66 |
| (d) Provisions and bad debts written-off | 10,037.93 | 9,053.46 | 28,681.69 | 34,637.56 | 54,232.49 |
| (e) Brokerage and commission | 2,375.75 | 2,365.28 | 2,761.90 | 9,223.68 | 10,606.68 |
| (f) Other expenses | 5,281.98 | 3,966.97 | 3,602.39 | 17,076.99 | 14,657.05 |
| Total expenses | 47,639.09 | 43,746.96 | 63,648.11 | 176,736.53 | 201,602.61 |
| 3. Profit from ordinary activities before tax (1-2) | 8,413.19 | 7,139.24 | (15,009.29) | 26,974.36 | 1,070.81 |
| 4. Tax expense | | | | | |
| (a) Current tax | 1,887.61 | 1,635.23 | (8,438.05) | 7,280.80 | (330.07) |
| (b) Deferred tax | (1,390.63) | 765.66 | 3,677.91 | (555.38) | 791.20 |
| Total tax expense | 496.98 | 2,400.89 | (4,760.14) | 6,725.42 | 461.13 |
| 5. Net Profit from ordinary activities after tax (3-4) | 7,916.21 | 4,738.35 | (10,249.15) | 20,248.94 | 609.68 |
| 6. Paid-up equity share capital (Face value of ₹ 2/- each) | 4,740.57 | 4,739.47 | 4,739.19 | 4,740.57 | 4,739.19 |
| 7. Reserves and surplus | | | | 214,899.79 | 199,050.19 |
| 8. Earnings per share (not annualised) | | | | | |
| (a) Basic (in ₹) | 3.34 | 2.00 | (4.33) | 8.54 | 0.26 |
| (b) Diluted (in ₹) | 3.33 | 1.99 | (4.32) | 8.52 | 0.26 |

See accompanying notes to the financial results

Balancing figures (Note 4)

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Notes :

- 1] Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 31 March 2018.

| Particulars | (₹ in lacs) | |
|--|---------------------------|---------------------------|
| | As at 31 March 2018 | As at 31 March 2017 |
| | (Audited) | (Audited) |
| A. EQUITY AND LIABILITIES | | |
| 1. Shareholders' funds | | |
| (a) Share capital | 4,740.57 | 4,739.19 |
| (b) Reserves and surplus | 214,899.79 | 199,050.19 |
| Sub-total - shareholders' funds | 219,640.36 | 203,789.38 |
| 2. Non-current liabilities | | |
| (a) Long-term borrowings | 211,377.25 | 238,677.37 |
| (b) Long-term provisions | 29,802.50 | 18,534.81 |
| Sub-total - non-current liabilities | 241,179.75 | 257,212.18 |
| 3. Current liabilities | | |
| (a) Short-term borrowings | 572,376.84 | 487,335.75 |
| (b) Trade payables | 31,889.68 | 21,038.31 |
| (c) Other current liabilities | 128,588.36 | 171,123.45 |
| (d) Short-term provisions | 1,561.02 | 1,426.58 |
| Sub-total - current liabilities | 734,415.90 | 680,924.09 |
| TOTAL - EQUITY AND LIABILITIES | 1,195,236.01 | 1,141,925.65 |
| B. ASSETS | | |
| 1. Non-current assets | | |
| (a) Property, plant and equipment | 19,214.53 | 21,643.99 |
| (b) Non-current investments | 40,726.04 | 53,284.47 |
| (c) Deferred tax assets (net) | 2,527.05 | 1,971.67 |
| (d) Long-term loans and advances | 687,621.79 | 624,483.61 |
| (e) Other non-current assets | 10,138.23 | 16,913.69 |
| Sub-total - non-current assets | 760,227.64 | 718,297.43 |
| 2. Current assets | | |
| (a) Current investments | 6,504.06 | 4,737.23 |
| (b) Trade receivables | 371.89 | 643.21 |
| (c) Cash and bank balances | 37,467.50 | 27,249.11 |
| (d) Short-term loans and advances | 382,715.29 | 383,033.73 |
| (e) Other current assets | 7,949.63 | 7,964.94 |
| Sub-total - current assets | 435,008.37 | 423,628.22 |
| TOTAL - ASSETS | 1,195,236.01 | 1,141,925.65 |

- 2] The audited standalone financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 May 2018.
- 3] The Statutory Auditors have carried out audit of the standalone annual financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] Figures for the quarter ended 31 March 2018 and 31 March 2017 are the balancing figures between audited figures in respect of full financial year and the published year to date unaudited figures upto the third quarter of the respective financial years.
- 5] During the year, the Nomination and Remuneration Committee of the Board of Directors has granted 1,25,000 options, 2,25,000 options and 1,65,000 options under various tranches at an exercise price of ₹ 60/-, ₹ 100/- and ₹ 120/- per share respectively under Magma Employee Stock Option Plan 2007 ('MESOP 2007') and 3,00,000 options at an exercise price of ₹ 100/- per share under Magma Restricted Stock Option Plan 2014 ('MRSOP 2014'). Further, the Committee at its meeting held on 01 April 2018 has granted 7,26,083 and 3,22,000 options at an exercise price of ₹ 120/- and ₹ 2/- per share respectively under MESOP 2007. These options has been granted to the eligible employees of the Company (each Option entitles the option holder to 1 equity share of ₹ 2/- each).
- 6] During the year, the Nomination and Remuneration Committee at its meeting held on 10 May 2017 and 31 January 2018 has allotted 14,000 and 55,000 equity shares respectively, of the face value of ₹ 2/- each to the eligible employees of the Company under Employee Stock Option Plan pursuant to SEBI (ESOS and ESPS) Guidelines, 1999, and with corresponding provision of SEBI (Share Based Employee Benefits) Regulations 2014, as amended from time to time. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.

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- 7] On 12 April 2018, the Company has allotted 3,22,58,064 equity shares of face value of ₹ 2/- each to Qualified Institutional Buyers, aggregating to approximately ₹ 50,000 lacs, including premium of ₹ 153/- per share under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and Companies Act, 2013 read with relevant rules thereunder and other applicable provisions. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 26,92,86,736 equity shares of ₹ 2/- each aggregating to ₹ 5,385.73 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 8] The Board of Directors at their meeting considered and recommended an equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each aggregating to ₹ 2,597.11 lacs (including taxes) for the financial year 2017-18, including equity shares allotted post 31 March 2018 upto record date, subject to approval of the shareholders.
- 9] The Central Government has passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of Magma Advisory Services Limited ('MASL'), a wholly owned subsidiary, with the Company with effect from 01 April 2017, being the Appointed date. Consequently, the results for the quarter ended 31 December 2017 onwards are prepared giving effect to the merger. The cumulative impact on revenue and profit before tax was ₹ 0.91 lacs and ₹ (1.72) lacs respectively and was recorded in the quarter ended 31 December 2017. Further by virtue of the said merger, Magma Housing Finance Limited ('MHFL') (a wholly owned subsidiary of MASL and step down subsidiary of the Company) has now become a direct wholly owned subsidiary of the Company.
- 10] During the current year, the Company had acquired 26% equity shares of Magma ITL Finance Limited ('MITL') from International Tractors Limited ('ITL') (Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company. Subsequently, the Board of Directors and Shareholders of the Company at their meeting held on 09 November 2017 and 17 February 2018 respectively, had approved the Scheme of Merger under Section 230 - 232 of the Companies Act, 2013 read with Section 233 and read with Rules made thereunder (the 'Scheme') for merger of MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date as provided in the Scheme. The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT), has vide its order dated 08 May 2018 approved the Scheme. The copy of the said order was filed with Registrar of Companies, Kolkata on 08 May 2018 (the "Effective Date"). Consequently, the results for 31 March 2018 have been prepared giving effect to the merger. The cumulative impact from 1 October 2017 on revenue and profit before tax is ₹ 5,138.71 lacs (including ₹ 2,936.94 lacs for quarter ended 31 December 2017) and ₹ 1,732.53 lacs (including ₹ 861.52 lacs for quarter ended 31 December 2017) respectively and is recorded in the quarter and year ended 31 March 2018.
- 11] RBI vide its notification no. DNBR. 011/CGM (CDS) - 2015 dated 27 March 2015, has revised the asset classification norms for NPA's applicable to Non-Banking Finance Companies (NBFCs) in a phased manner commencing from financial year ended 31 March 2016. In line with the above notification, the Company has adopted the revised non-performing assets norms as at 31 March 2018 in a phased manner during the financial year. This has resulted in an increase in total provision by ₹ 72.71 lacs and ₹ 1,793.70 lacs (including income de-recognition) for the quarter and year ended 31 March 2018. Accordingly, the profit before tax for the quarter and year ended 31 March 2018 is lower to the extent of ₹ 72.71 lacs and ₹ 1,793.70 lacs respectively.
- 12] During the quarter ended 31 March 2017, the Company had sold non-performing assets (NPAs) of ₹ 59,347.56 lacs which included NPAs greater than 2 years in asset backed portfolio and greater than 6 months in mortgage portfolio. The aforesaid sale had resulted in reduction of profit after tax by ₹ 12,625.97 lacs for the quarter and year ended 31 March 2017.
- 13] The listed Non Convertible Debentures of the Company as on 31 March 2018 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 14] As per paragraph 4 of Accounting Standard 17 (Segment Reporting) prescribed under Section 133 of the Companies Act, 2013, segment reporting needs to be presented only on the basis of consolidated financial results. In view of this, segment information has been presented in the consolidated financial results.
- 15] Figures for current quarter are not comparable with previous quarter and corresponding quarter of previous year as current quarter figures are impacted by merger of Magma ITL Finance Limited, a wholly owned subsidiary, with effect from 01 October 2017. Also, figures for current year are not comparable with previous year as current year figures are impacted by merger of Magma ITL Finance Limited and Magma Advisory Services Limited, the wholly owned subsidiaries of the Company.
- 15] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited


Sanjay Chamria

Vice Chairman and Managing Director

DIN : 00009894

Place : Mumbai
Dated : 09 May 2018

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